

The Effect of Work Motivation and Entrepreneurship Orientation on Business Performance through Entrepreneurial Commitments of Coffee Shops in Makassar

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ABSTRACT

This study aimed to explore the effect of work motivation and entrepreneurship orientation on businesses performance of small and medium enterprises (SMEs), particularly for the coffee shop in Makassar. This study was included in the category of explanatory research that aimed to explore the facts through the collection of secondary and primary data with questionnaires and interview techniques related to entrepreneurial orientation, achievement motivation and its impact on business performance in the SMEs in Makassar. This study also used path analysis approach as an engineering approach in statistics to examine direct and indirect relationships between exogenous and endogenous variables. Some important aspects need to be explored explicitly related to the method used. The important issues included the nature of the study, the type of investigation, the level of intervention research, the situation of the study, the unit of analysis, and the time horizon. The results of this study showed that the entrepreneurial orientation and motivation either partially or simultaneously to the coffee shop business in Makassar had a positive effect. In this case, entrepreneurial orientation had a positive and significant effect on business performance. Meanwhile, the orientation of work motivation, directly and indirectly, had a positive and significant effect on the business performance of coffee shop business in Makassar. In other cases, the commitments had important roles in giving positive effect to business performance related to the coffee shop business in Makassar.

Keywords: Entrepreneurship Orientation, Work Motivation, Entrepreneurial Commitment, Business Performance

JEL Classifications: D23, L26

1. INTRODUCTION

An entrepreneur must have creative and innovative capabilities in finding and creating a variety of ideas, in managing business units of selection and the scope of entrepreneurs, because their ideas or creativity in the development of the business unit will have an impact on its performance of activities. Therefore, it is necessary to have an entrepreneurial spirit that encourages a person's interest to manage business units in a professional manner.

In addition to the creativity and innovation that should be owned by the entrepreneur, entrepreneurship is a crucial commitment that should be an asset for entrepreneurs. An entrepreneurial commitment is a consistency of purpose that should be achieved by an entrepreneur in holding the principles of entrepreneurship.

Some studies have found that entrepreneurial commitment can be determined by the business orientation of a person. It means that the greater the business orientation owned by an entrepreneur, the higher motivation in entrepreneurial commitment.

Entrepreneurial motivation is a part of the entrepreneurial commitment as one aspect that needs to be considered by every entrepreneur. The entrepreneurial commitment that is supported by the ability of management owned by every entrepreneur and have a strong motivation to manage the business may affect the business performance improvement that is managed. Therefore, every entrepreneur is necessary to focus on building entrepreneurial commitment. It is in line with the findings of Chung and Leon (2013) that the motivation is a part of the entrepreneurial commitment that can give influence to the improvement of

business performance that was done by an entrepreneur. Thus the entrepreneurial motivation is related to the entrepreneurial commitment to improving the business performance of the employee.

Motivation and entrepreneurial commitment are very closely related. In general, there is a strong relationship between motivation and entrepreneurial commitment that encourages someone to become entrepreneurs. Because of strong desire, high motivation, and strong commitment to start a business and be ready to face any risk are the commitments to become entrepreneurs. Hence, it can be said that the motivation influence business performance, and it is supported by the statement proposed by Patterson et al. (1997) that motivation has a significant impact on the business performance.

This study focuses on the work motivation and entrepreneurship orientation towards entrepreneurial commitment and company's business performance of the small and medium enterprises (SMEs). SMEs have assets above 50-500 million and have a turnover of over 300 million to 2.5 milliard. In addition to the description above, thus the studied industries were SMEs in Makassar with the consideration that SMEs in Makassar has a very significant development prospect in economic development.

The development of SMEs of coffee shop business in Makassar has increased significantly. Based on data from the Department of Industry and Commerce of Makassar, there is an increasing number of coffee shop business about 15-25% in each year since 2009-2013.

The growth of coffee shop business in Makassar is very high in several districts including the District of Panakukang, Makassar and Ujung Pandang. Based on the survey, the business development of coffee shops in urban canters is motivated by several reasons. First, the coffee shop can be one of the relaxed facilities or relaxed sharing business place with a cup of coffee. Second, the easy access to information because some coffee shops are equipped with internet facilities and infrastructure. Third, the coffee shop provides other facilities that help visitors to enjoy some events together or watch some live sports event together.

Based on the background and issues, then the purpose of this study was to explore some things. The first was to examine the effect of work motivation on business performance in the SMEs of the coffee shop in Makassar. The second was to explore the entrepreneurship orientation on business performance. The last was to investigate the effect of entrepreneurial commitment to the business performance of SMEs coffee shop in Makassar.

2. LITERATURE REVIEW

2.1. The Concept and Theory of Business Performance

Performance is a multidimensional concept, and the relationship between entrepreneurship orientation and business performance depends on the indicators used to assess the performance (Lumpkin and Dess, 1996). Performance (business performance) refers to the level of achievement or achievements of the company periodically.

The company's strategy is always directed to produce such marketing performance like good sales volume and growth rate and also good financial performance. It causes various performance measurement in the research of business field that expands with a basic indication in the form of ratios of accounting and measures of marketing. Those are two major groups of performance indicators companies, but these indicators have been widely criticized for because those indicators cannot explain things that are intangible and often inappropriately used to assess the source of competitive advantage. Thus, it is necessary to create the viewpoint of resource-based strategy that suggests the measurement by combining performance measures financially and non-financially to the real economic benefits.

Based on the description above, it can be seen that the performance of the company consists of two things; namely performance measurement based on financial factors (ratios accounting) and performance measurement is based on sales of the product unit. Both of these can be used together to measure the performance of companies in general, as well as the form of implementation, and four indicators were used, namely: Sales growth, market growth, market share, and profitability. Meanwhile, the performance of services as a small industry service levels to meet the satisfaction of members in the form of economic benefits gained.

2.2. The Concept and Theory of Entrepreneurial Commitment

According to the Indonesian big dictionary, commitment is an agreement (engagement) to do something. Based on such understanding, it can be defined that commitment in entrepreneurship is a self-engagement and a strong desire to build, promote, and maintain its business presence in any situation. To be a candidate for entrepreneurs who have a strong commitment and tough, so the entrepreneurs need to understand some important elements that should be developed, namely:

- Knowledge element
It is one of the elements that reflect the reasoning level of a person, and the degree of education usually determines it.
- Skill element
It is a reflection of the physical work ability that is normally obtained from exercise processes. Some ways that can be done to improve skills are routines exercises, diligent, conscientious, discipline, etc.
- The element of mental attitude
It is the response or someone's behaviour when faced the certain situation. To increase mental attitude, it is important to be ready in doing something, keen worshiper, friendly, helpful, disciplined, willing to take risks, have leader capability, and sociable.
- Vigilance element
It is a blend of knowledge and mental attitude elements in facing something that might be experienced, and this element is more on the cautious attitude of a person.

2.3. The Concept and Theory of Entrepreneurship

In general, there are two groups of point views towards the understanding of entrepreneurship namely entrepreneurship as a process and as an ability (skill).

To measure the entrepreneurship orientation (entrepreneurial orientation) used dimensions developed from research Lee and Tsang (2009):

- Need for achievement, the indicators are:
 - i. Not satisfied if the desire is not obtained yet
 - ii. Keep trying though others say impossible
 - iii. Keep working to achieve the desired objectives.
- Locus of control, the indicators are:
 - i. What has been achieved is the result of hard work (internal locus of control)
 - ii. Profit or loss is determined by themselves (internal locus of control)
 - iii. Self-control (internal locus of control).
- Self-reliance, the indicators are:
 - i. Others can work as well as I do
 - ii. Like to make their own decisions
 - iii. I am more involved with friends.
- Extroversion, the indicators are:
 - i. Like to meet new people
 - ii. Initiative to start talks
 - iii. Like much busyness.

2.4. The Concept and Theory of Work Motivation

In this study, there are some concept and theory of work motivation where it is one of the personality characteristics elements that play a role in shaping attitudes and behaviour of people to run a business well. According to Lee, Locke, and Latham (in Wu et al., 2007), there are some attributes or characteristics of individuals who have the motivation to work, namely perseverance, performing activities related to the fulfilment of the need for jobs, tendency to achieve success, and being able to control difficulties. Referring to the opinion, then the dimensions of motivation to work in this study are success-oriented, future-oriented, like a challenge or risk, and toughness.

2.5. Micro, SMEs

Several institutions or agencies provide a definition of micro, SMEs. In accordance with the Laws No. 20 of 2008 Article 6 about Micro, SMEs where SMEs are defined as follows:

- Micro criteria are as follows:
 - i. Having maximum net worth IDR. 50,000,000,00 (50 million rupiahs), excluding the land and buildings,
 - ii. Having maximum annual sales results IDR. 300,000,000, 00 (300 million rupiahs).
- Small businesses are as follows:
 - i. Having a net worth more than IDR. 50,000,000,00 (50 million rupiahs) up to IDR. 500,000,000,00 (five-hundred million rupiahs) not including land and buildings;
 - ii. Having an annual sales turnover more than IDR. 300,000,000,00 (300 million rupiahs) up to IDR. 2,500,000,000, 00 (two billion 500 million rupiahs).
- Medium businesses are as follows:
 - i. Having a net worth more than IDR. 500,000,000,00 (500 million rupiahs) up to IDR. 10,000,000,000,00 (10 billion rupiahs), excluding land and buildings;
 - ii. Having an annual sales turnover more than IDR. 2,500,000,000,00 (two billion 500 million.

3. CONCEPTUAL FRAMEWORK

Based on the research background, problem identification, research objectives, and framework, then the research hypothesis is that there is a significant relationship between work motivation and entrepreneurship orientation on business performance through entrepreneurial commitments of coffee shops in Makassar. Conceptual framework is given in Figure 1.

4. METHODOLOGY

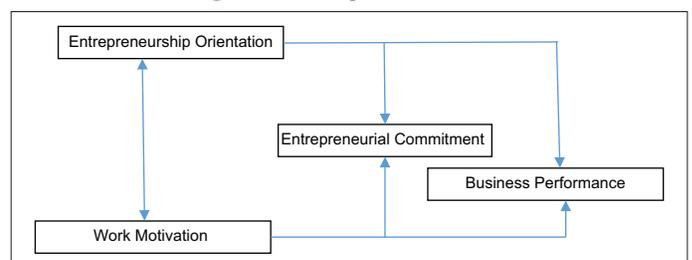
This study was explanatory research or survey research that aimed to explore the facts through the collection of secondary and primary data using questionnaires and interviewing techniques related to entrepreneurial orientation, work motivation and its impact on business performance in the SMEs in Makassar, particularly for coffee shop business. The type of data used in this study was cross-sectional approach from data collection in a given period. The design of the study were classified into descriptive study that examined the phenomenon that occurs factually through the perception of respondents offender small industry with research focus on: Entrepreneurship orientation (X1), work motivation orientation (X2), entrepreneurial commitment (Y) and business performance (Z) of SMEs in Makassar. Furthermore, to answer the study hypotheses, explanatory research approach was used to examine the relationship between variables (Singarimbun & Effendi, 1995).

This study was conducted in Makassar with analysis unit of SMEs of coffee shops. The number of SMEs in Makassar based on data from the Department of Industry and Commerce of Makassar as many as 254 businesses that spread on the territory of the city.

This study used Path Analysis as an approach technique in statistical to examine direct and indirect relationships between exogenous and endogenous variables. There are some important aspects that need to be explored clearly related to the method used. Sekaran and Bougie (2003) called it as the study details. Those aspects are the nature of the study, the type of investigation, the level of researcher intervention, study situation, the unit of analysis, and the time horizon.

The data used in this study comes from SMEs of coffee shop business. The type of data in this study included primary data that was obtained through questionnaires and interviews with respondents. While secondary data was the documentation

Figure 1: Conceptual framework



obtained from a company related to the coffee shop business as well as on other related agencies.

5. RESULTS AND DISCUSSION

5.1. Characteristics of Respondents

Coffee shop business in Makassar has been growing quite rapidly in the last 5 years. It is a change in style or lifestyle of some people in Makassar. The coffee shop always serves as a place for discussion with colleagues, business associates while enjoying a cup of coffee. The phenomenon describes that drinking coffee has become a staple for most people in Makassar today.

The development of entrepreneurship orientation for coffee shop entrepreneur is necessary to improve the business performance that oriented to self-reliance and sustainability efforts based on professionalism in running the business. Related to the understanding of the entrepreneurship commitments and work motivation, it is important to describe the characteristics of the respondent, including the duration of business, age, education, the reason for running a business, and also market information (Table 1).

5.2. Research Variable

5.2.1. Variable X1 (entrepreneurship orientation)

Most or 52% respondents always put the needs in achieving the objectives of the business of coffee. The needs to achieve the goals mentioned here are the dimensions of entrepreneurial orientation that emphasizes the importance of having a strong desire to be successful in the future. The coffee shop entrepreneurs should have strong beliefs about the success that need to be achieved in the future. The ability to reach customers as many as possible was an indicator of achievement that must be owned by coffee shop entrepreneurs. To obtain this success, many factors could influence them like how the taste of the coffee that has been served at a coffee shop.

As many as 40% respondents had implemented the container control to gather information from customers through some ways and strategies to acquire the loyal customer. Information obtained from customers in relation to the pricing strategy, determining the types of products that customers demand and general specifications required by the customers. 52% respondents stated that the container control strategy was performed with certain innovations to attract customers.

There were 44% respondents have the self-confidence to strive in coffee shop field. It showed that with a sense of high self-confidence owned by coffee shop entrepreneur, there were a major capital and information for the business improvement. From these

respondents, there was only 18-20% that had low self-confidence. The low self-confidence due to the number of competitors that run the coffee shop business with a wide variety and offers both in price and complete facilities such as places for meeting, live events and also convenience internet access.

40% respondents were open to doing coffee shop business in Makassar. It means that the businessman or entrepreneur especially coffee shop entrepreneur was always open for improvement or introspection. Providing an excellent service to consumers or customers is one of the open-up elements.

5.2.2. Variable X2 (work motivation)

As many as 55% respondents said that success in running business-oriented coffee shop. Success-oriented means always believe success in the future. An entrepreneur should have the confidence to be successful with the product or business.

From 62 respondents, 44% said very concerned about the quality of products in creating work motivation with a company that sells similar goods. The quality of goods intended to be viewed from a brand that has been recognized by consumers with specifications of its superior devices. On the other side, there were 40% respondents stated that only prepare well-known products that were better recognized by the consumer with the latest version of the product.

From 62 respondents, 42% stated very concerned about the price and always adjust prices of products with the development of the dollar exchange rate (\$) and the ability of purchasing power. Furthermore, there are 6% respondents said prices follow the quality of products, if the products were better in quality, the price could adjust to specific market segments. It means that despite the higher prices, but customers would still buy the quality and well-known product brands. It was assumed that honesty in quality products, good stuff specifications and adjusts to the price because it has its own market were necessary. However, it was important to pay attention to the purchasing power of consumers and also retaining the customers.

5.2.3. Variable Y (entrepreneurial commitment)

Generally, the consumers who went to a coffee shop had been attracted to products with new models and an affordable price. 47% respondents stated that the consumers were asking about product coffee shop typically interested in the latest models at a reasonable price. Furthermore, 18% respondents said there were still some consumers who were interested in old products with quality considerations but not too much different from the new product.

5.2.4. Variable Z (business performance)

From 62 respondents, 52% said that they could get market share both in the local area (Makassar city) and outside Makassar city and even outside of Sulawesi Island. 56% respondents always get new customers in selling their products, 40% respondents said that they could retain old customers and only 39% respondents stated that they could give satisfaction to customers. It showed that the company's coffee shops in Makassar very enthusiastic in finding customers and successfully retain customers but not maximized in giving satisfaction to customers.

Table 1: The number of respondents by the duration of the coffee shop

The number of respondents	Duration (year)				
	<1 year	<2 years	<3 years	<4 years	>5 years
150	5	4	11	9	33

From 62 respondents, 55% said that always make the process of innovation strategies for sales of its products. 52% respondents stated that they could maintain a good relationship with the customer. 52% respondents said that they could keep the image and reputation of the company by maintaining the quality and quantity of products sold. From the respondents' perception can be assumed that most of the vendor which is engaged in coffee shop sales can achieve maximum business performance in the dimension of its internal business.

From 62 respondents, 44% reported having employees with good capability and expertise in the coffee shop and field sales. 52% respondents claimed that they have mastered about the system and the information required in marketing the coffee shop. 44% respondents said always provide motivation and always empowered employees. From this perception, it was assumed that the majority of companies engaged in the sale of the coffee shop could achieve maximum business performance on learning and growth perspective to the available resources.

6. CONCLUSION

The results showed that the entrepreneurial orientation and motivation either partially or simultaneously to the coffee shop business entrepreneurship in the city of Makassar. Entrepreneurship is also a positive and significant effect on the performance of the business in the coffee shop business in the city of Makassar. Meanwhile, entrepreneurial orientation and motivation to work

both directly and indirectly positive and significant effect on the performance of the business at the coffee shop business in the city of Makassar.

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